



0000040234

MEMORANDUM

RECEIVED

305M

TO: Lori Miller  
Programs & Projects Specialist  
Utilities Division

2006 FEB -3 P 1: 35

FROM: John Bostwick *JB*  
Administrative Service Officer  
Utilities Division

AZ CORP COMMISSION  
DOCUMENT CONTROL

DATE: February 3, 2006

RE: SBC Long Distance, LLC d/b/a SBC Long Distance.  
Docket No. T-03346A-04-0413 Decision No. 67809

On January 30, 2006, Staff received a copy of SBC Long Distance, LLC d/b/a SBC Long Distance's ("SBC" or "Company") A.C.C. Tariff No. 10 bearing an effective date of June 10, 2005. The advice letter indicated that the tariff pages are being replaced with 19 Original pages and 5 Original price list pages.

Staff reviewed the revisions to SBC's A.C.C. Tariff No. 10 bearing an effective date of June 10, 2005. This tariff filing proposed several changes: (1) revisions to Technical Terms or Abbreviations; (2) revisions to customer deposits and payment of interest on deposits language as required by Arizona Administrative Code R14-2-503 B (3) and (6) a. and b.; and; (4) deletion of ICB language. Staff did not see any price increase of rates or charges on the 5 Original price list pages. SBC's proposed tariff revisions adopt all of Staff's recommendations addressed to you in a memorandum dated November 29, 2005. Attached is a copy of the November 29, 2005 memorandum.

As indicated in the memorandum, Staff sent its first set of data requests to SBC as **Attachment A**. SBC responded to Staff's first set of data requests on January 30, 2006. Staff verified that confidential material was not provided in SBC's reply to Staff's questions. A copy of SBC's answers to Staff's questions is attached to this memorandum.

Staff recommends that SBC's proposed tariff revisions to A.C.C. Tariff No. 10 be filed with the effective date of June 10, 2005.

CC: Docket Control (Original and Thirteen Copies)

Attachments (12)



Regulatory Department

SBC Long Distance  
5850 W. Las Positas Blvd.  
Pleasanton, CA 94588

DIRECTOR

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2006 JAN 30 P 3: 56

AZ CORP COMMISSION  
DOCUMENT CONTROL

January 24, 2006

Docket Control Center  
ARIZONA CORPORATION COMMISSION  
1200 W. Washington Street  
Phoenix, Arizona 85007

RECEIVED

JAN 30 2006

AZ Corporation Commission  
Director of Utilities

Re: Advice Letter 181 Amendment  
Docket No. T-03346A-04-0413  
SBC Long Distance, LLC  
d/b/a SBC Long Distance

Dear Sir:

Enclosed for filing are an original and thirteen (13) copies of revisions to A.C.C. Tariff No. 10 of SBC Long Distance, LLC, d/b/a SBC Long Distance as requested by Mr. John Bostwick, Administration Officer.

The following tariff pages are being replaced:

Original Page 28  
Original Page 29  
Original Page 30  
Original Page 31  
Original Page 34  
Original Page 35

Original Page 79  
Original Page 80  
Original Page 149  
Original Page 150  
Original Page 151  
Original Page 152

Original Page 162  
Original Page 204  
Original Page 220  
Original Page 235  
Original Page 237  
Original Page 254

The following price list pages are being replaced:

Original Page 5  
Original Page 6

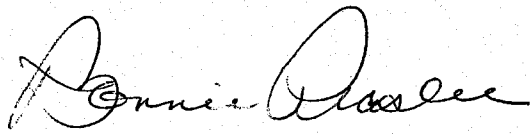
Original Page 7  
Original Page 8

Original Page 38

So that our records will be complete, please date stamp the extra copy of this letter and return in the envelope provided. Any questions regarding this filing should be referred to Todd Lowe, Visiology, Inc., 16061 Carmel Bay Drive, Northport, Alabama 35475 who may be reached via telephone at (205) 330-1701.

Thank you for your assistance in this matter.

Yours truly,

A handwritten signature in cursive script, appearing to read "Bonnie Peaslee".

Bonnie Peaslee

Regulatory Affairs Analyst

Enclosures

## MEMORANDUM

TO: Lori Miller  
Programs & Projects Specialist  
Utilities Division

FROM: John Bostwick  
Administrative Service Officer  
Utilities Division

DATE: November 29, 2005

RE: SBC Long Distance, LLC d/b/a SBC Long Distance.  
Docket No. T-03346A-04-0413      Decision No. 67809

On July 21, 2005, Staff received a copy of SBC Long Distance, LLC d/b/a SBC Long Distance's ("SBC" or "Company") Tariff No. 10 bearing an effective date of June 6, 2005. The Advice Letter No. 181 from SBC's Regulatory Affairs Analyst, Bonnie Peaslee submitting SBC's Tariff No. 10 was dated July 20, 2005. The yellow "TARIFF COMPLIANCE" form from Lori Miller requests that Staff review the tariff for compliance purposes and contact the Company to correct any deficiencies and recommend they make a re-filing through Docket Control.

Staff reviewed the effective date of Decision No. 67809 and the effective date SBC's proposed tariff to be filed with the Arizona Corporation Commission ("Commission"). SBC submitted its proposed tariff within the effective date ordered by Decision No. 67809.

The contents of SBC's proposed tariff are addressed in nine Sections consisting of 303 pages including a Price List of 41 pages. Staff reviewed nine Sections of the tariff but did not review every numbered item in each Section. Staff is not aware of every numbered item in SBC's tariff that agrees or conflicts with the every regulation established in the Arizona Administrative Code ("A.A.C.") rules. Also, Staff is unable to verify that every regulation in each Section of the Articles related to telecommunications in the A.A.C. rules is captured in SBC's proposed tariff. However, Staff is aware that SBC has deficiencies in its proposed tariff that need to be corrected for compliance purposes.

The following lists for each technical term or abbreviation found in SBC's tariff and the A.A.C. rules, the A.A.C. rule number that defines the technical term or abbreviation approved by the Commission:

<u>Term or Abbreviation</u>	<u>A.A.C. Rule Number</u>
Access Line	R14-2-501 item number 19
Applicant	R14-2-501 item number 2
Blocking	R14-2-1001 item number 7
Commission	R14-2-1102 item number 1
Customer	R14-2-501 item number 9

IXC  
LATA  
LEC

R14-2-1001 item number 11  
R14-2-1001 item number 13  
R14-2-1302 item number 13

Staff recommends that SBC use the same definitions for each term or abbreviation as those listed by the corresponding A.A.C. rule number. This will help to ensure each term or abbreviation approved by the Commission is used in SBC's tariff.

Under the Rules and Regulations Section of the Company's tariff, Staff examined the Customer Deposits item numbered 2.8.1 on pages 79 and 80. The item states that "Any Applicant whose credit is not acceptable to the Company as provided in Section 2.7.3 of this Tariff may be required to make a deposit to be held by the Company as a guarantee of payment for Service..." "The amount of any deposit will not exceed the estimated charges for three months' Service."

According to A.A.C. rule R14-2-503 B (6) a. and b., the amount of deposits required by the utility shall not exceed two times the residential customer's estimated average monthly bill. For nonresidential customer, deposits shall not exceed 2.5 times that customer's estimated maximum monthly bill.

Staff recommends that SBC revise the language in its proposed tariff to match the language in R14-2-503 B (6) a. and b. This will help ensure that all customers pay the appropriate amount of deposit required in Arizona.

Also, the Company states on page 80 of its proposed tariff that it will not pay interest on the deposits. Rule A.A.C. R14-2-503 B (3) clearly states that "...deposits shall be interest bearing..."

Staff recommends that SBC follow the requirements established in A.A.C. R14-2-503 B (3) regarding the payment of interest on customer deposits. This will help ensure all customer deposits are treated in a fair and equitable manner in Arizona.

Staff reviewed the individual case basis ("ICB") rates and charges for Private Line Services Rates and Charges for OC3 and OC12 services on page 150 and 152 respectively. Page 6 and 8 of the Price List for OC3 and OC12 services was also reviewed by Staff. Staff noted that an ICB rate and charge for Domestic Frame Relay Services greater than 1.536 Mbps was listed on page 154 of SBC proposed tariff. Staff was unable to determine from the tariff, if SBC intends to use maximum rates for these services. If SBC intends to use maximum rates for these services, then it needs to identify maximum rates in its tariff. If SBC does not intend to use maximum rates, then SBC needs to be aware that its current rates will be considered maximum rates. Rates defined in a tariff "... as to be determined on an individual case basis" is not acceptable by the Commission. A range of rates that show maximum rate and minimum rate for each ICB services needs to be listed in SBC's tariff.

Based on Staff's review of "IBC" rates, Staff recommends SBC indicate actual rates in its tariff. SBC needs to determine if it will use maximum rates. If maximum rates are used, then

the rates need to be listed as maximum rates in SBC's tariff. If maximum rates are not used, then its current rates will be considered as maximum rates. A range of rates that show maximum rate and minimum rate for each "ICB" service needs to be listed in SBC's Tariff No. 10 and Price List.

**Attachment A** is Staff's first set of data requests to SBC. Answers to these data requests will provide support for SBC's calculation of actual maximum and actual minimum rates and range of rates in its proposed Tariff No. 10 and Price List. SBC needs to answer all seven data requests in **Attachment A** on page 4 of this memorandum.

Staff recommends that SBC revise its tariff with Staff's recommended changes and file the revised tariff (original and thirteen (13) copies) through Docket Control at the Arizona Corporation Commission. Responses to the data requests in **Attachment A** should be sent to John Bostwick, Telecommunications and Energy, Utilities Division at the Arizona Corporation Commission.

Staff has contacted Mr. Norman W. Descoteaux, SBC Long Distance, by e-mail to inform him of the revisions that need to be made SBC's proposed tariff and the need to response to Staff's data request. Attachment of this memorandum to the e-mail will enable Norman W. Descoteaux to be aware of the concerns and deficiencies that need to be addressed in SBC's proposed tariff.

**Attachment A**

Please make sure each numbered item and each part of the item is answered completely. If it is not, Staff will resubmit the numbered item(s) and/or part(s) of the item in a following data request. In order for Staff to continue with its review of your proposed tariff, the following information must be submitted to support the calculation of actual maximum and actual minimum rates and range of rates:

- JFB 1-1. Please submit a PDF file of your responses to this data request to [jbostwick@cc.state.az.us](mailto:jbostwick@cc.state.az.us).
- JFB 1-2. Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariffs for each of your services.
- JFB 1-3. Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis needs to contain publicly available examples of rates charged by the incumbent or other carriers for similar services or any other information that you believe demonstrates that your actual rates are just and reasonable. Please include any supporting materials. For a list of telecommunications carriers certificated in Arizona, go to [www.cc.state.az.us/utility/utility](http://www.cc.state.az.us/utility/utility) for a list of Commission-approved telecommunications rates and tariffs, go to [www.cc.state.az.us/utility/tariffs](http://www.cc.state.az.us/utility/tariffs).
- JFB 1-4. Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.
- JFB 1-5. Please submit a complete tariff setting forth your rates and charges.
- JFB 1-6. Please identify any other jurisdictions in which your company or an affiliate provides similar services. Please specify the rates that your company and/or affiliate charges for these similar services in these other jurisdictions. If there is a difference between the rates that your company will charge in Arizona and the rates that your company and/or affiliate charges in other jurisdictions for similar services: please identify and indicate the amount of the difference and explain why you are charging different rates in Arizona.
- JFB 1-7. Please identify any other jurisdictions in which your company or an affiliate is applying to provide similar services. Please specify the rates that your company and/or affiliate will charge for these similar services in these other jurisdictions. If there is a difference between the rates that your company charges in Arizona and the rates that your company and/or affiliate will charge in other jurisdictions for similar services, please identify and indicate the amount of the difference and explain why you intend to charge different rates in Arizona.



SBC Long Distance, LLC

January 30, 2006

John Bostwick  
Administrative Service Office  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007-2996

In re: SBC Long Distance, LLC d/b/a SBC Long Distance.

Docket No. T-03346A-04-0911

Decision No. 67827

Docket No. T-03346A-04-0413

Decision No. 67809

SBC Long Distance, LLC d/b/a SBC Long Distance's Tariffs Nos. 9 and 10

Dear Mr. Bostwick:

Enclosed please find replies to Attachment A of your memoranda dated November 29, 2005 regarding SBC Long Distance, LLC d/b/a SBC Long Distance Docket No. T-03346A-04-0911 and 04-0413, Decisions No. 67827 and 67809

We have combined responses to questions pertaining to tariffs Competitive InterExchange Telecommunications Services Tariff No. 9 and Intrastate Data Services Tariff No. 10 on one response.

Please call me if you have any questions or need additional information.

Sincerely,

Joann Rice  
Associate Director, Regulatory  
SBC Long Distance  
5850 W. Las Positas Blvd., NE150  
Pleasanton, CA 94588

# ARIZONA SBCLD BUSINESS VOICE versus MCI, QWEST and SPRINT

## Pricing Comparison:

	AZ		AZ		MRCs or
	Intralata	Interlata	Intralata	Interlata	Mins
	Intrate	Intrate	Intrate	Intrate	
<sup>1</sup> MCI Business Value Standard	\$0.100	\$0.100	\$0.100	\$0.100	\$10.00 Min.
<sup>1</sup> MCI Business Value Select	\$0.100	\$0.100	\$0.100	\$0.100	\$20.00 Min.
<sup>2</sup> Qwest Choice Long Distance Basic	\$0.070	\$0.070	\$0.070	\$0.070	\$2.99 MRC
<sup>2</sup> Qwest Choice Long Distance Plus	\$0.050	\$0.050	\$0.050	\$0.050	\$15.00 Min
<sup>3</sup> Sprint "Bus Flex with All Calls All Day"	\$0.105	\$0.105	\$0.105	\$0.105	\$12.00 MRC <sup>5</sup>
<sup>4</sup> SBC Business Domestic Saver	\$0.090	\$0.090	\$0.090	\$0.090	\$5.95 Min
<sup>4</sup> SBC Business Domestic Saver 15	\$0.090	\$0.090	\$0.090	\$0.090	\$15.00 Min

<sup>1</sup>MCI prices are from their marketing web site at:

<http://business.mci.com/VoiceServices/>

<sup>2</sup>Qwest prices are from their marketing web site at:

<http://www.qwest.com/smallbusiness/productsandservices/ld/index.html>

<sup>3</sup>Sprint price is from Arizona Tariff CC. No. 2 4th Revised Page A-6 1.1

<sup>4</sup>SBC prices are from A.C.C. Price List No. 3 Page 77, Original

<sup>5</sup>Waived at \$50 usage per month.

SBC PremierServ Frame Relay

Frame Relay Ports									
Price List					Qwest Total Advantage				
Product/Service	1 Year Term		2 Year Term		5 Year Term	Monthly	1 Year Term		NRC
	MRC	NRC	MRC	NRC			Term	Term	
DSO UNI Ports									
56K	\$82	\$350	\$81	\$78	\$72	N/A	N/A	N/A	N/A
64K	\$82	\$350	\$81	\$78	\$72	\$260	\$190	\$174	\$25
128K	\$194	\$400	\$187	\$179	\$175	\$490	\$358	\$328	\$25
256K	\$260	\$400	\$249	\$238	\$233	\$655	\$478	\$439	\$25
384K	\$284	\$400	\$270	\$260	\$254	\$905	\$661	\$606	\$25
512K	\$303	\$400	\$290	\$278	\$272	\$1,085	\$792	\$727	\$25
768K	\$330	\$400	\$315	\$302	\$295	\$1,340	\$978	\$898	\$25
1.536 Mbps	\$501	\$450	\$480	\$459	\$0	\$2,205	\$1,610	\$1,477	\$50
40 Mbps	\$3,790	\$1,000	\$3,370	\$2,910	\$2,450	\$8,700	\$6,351	\$5,829	\$100

Qwest Q-Guaranty & Integrity							
Product/Service	1 Year Term		2 Year Term		3 Year Term	Monthly	NRC
	Term	Term	Term	Term			
DSO UNI Ports							
56K	N/A	N/A	N/A	N/A	N/A	N/A	N/A
64K	\$235	\$172	\$157	\$150	\$25	\$235	\$25
128K	\$440	\$321	\$295	\$282	\$25	\$440	\$25
256K	\$590	\$431	\$395	\$378	\$25	\$590	\$25
384K	\$815	\$595	\$546	\$522	\$25	\$815	\$25
512K	\$975	\$712	\$653	\$624	\$25	\$975	\$25
768K	\$1,205	\$880	\$807	\$771	\$25	\$1,205	\$25
1.536 Mbps	\$1,985	\$1,449	\$1,330	\$1,270	\$50	\$1,985	\$50
40 Mbps	\$7,830	\$5,716	\$5,246	\$5,011	\$100	\$7,830	\$100

Qwest Q-Guaranty & Integrity

Monthly	1 Year Term	2 Year Term	3 Year Term	NRC
N/A	N/A	N/A	N/A	N/A
\$235	\$172	\$157	N/A	\$25
\$321	\$295	\$282	N/A	\$25
\$590	\$431	\$395	N/A	\$25
\$815	\$595	\$546	N/A	\$25
\$975	\$712	\$653	N/A	\$25
\$1,205	\$880	\$807	N/A	\$25
\$1,985	\$1,449	\$1,330	N/A	\$50
\$7,830	\$5,716	\$5,246	N/A	\$100

Frame Relay InterLATA PVC

All Terms									
CIR Speed (K)	MRC		NRC		Monthly	1 Year Term		2 Year Term	
	MRC	NRC	MRC	NRC		Term	Term	Term	Term
8	\$24	\$60	\$18	\$13	\$16	\$12	\$11	\$10	\$15
16	\$43	\$60	\$35	\$26	\$32	\$23	\$21	\$20	\$15
32	\$83	\$60	\$70	\$51	\$64	\$47	\$43	\$41	\$15
48	\$106	\$60	\$106	\$77	\$96	\$70	\$64	\$61	\$15
56	\$120	\$60	\$123	\$90	\$112	\$82	\$75	\$72	\$15
64	\$127	\$60	\$141	\$103	\$128	\$93	\$86	\$82	\$15
128	\$222	\$60	\$282	\$206	\$256	\$187	\$172	\$164	\$15
192	\$317	\$60	\$422	\$308	\$384	\$280	\$257	\$246	\$15
256	\$417	\$60	\$563	\$411	\$512	\$374	\$343	\$328	\$15
320	\$510	\$60	\$704	\$514	\$640	\$467	\$429	\$410	\$15
384	\$660	\$60	\$945	\$617	\$768	\$561	\$515	\$492	\$15
448	\$675	\$60	\$986	\$719	\$896	\$654	\$600	\$573	\$15
512	\$754	\$60	\$1,126	\$822	\$1,024	\$748	\$686	\$655	\$15
576	\$831	\$60	\$1,267	\$925	\$1,152	\$841	\$772	\$737	\$15
640	\$907	\$60	\$1,408	\$1,028	\$1,280	\$934	\$858	\$819	\$15
704	\$982	\$60	\$1,549	\$1,131	\$1,408	\$991	\$943	\$901	\$15
768	\$1,100	\$60	\$1,690	\$1,233	\$1,536	\$1,028	\$943	\$901	\$15
832	\$1,127	\$60	\$1,830	\$1,336	\$1,664	\$1,121	\$1,029	\$983	\$15
896	\$1,199	\$60	\$1,971	\$1,439	\$1,792	\$1,215	\$1,115	\$1,065	\$15
960	\$1,269	\$60	\$2,112	\$1,542	\$1,920	\$1,308	\$1,201	\$1,147	\$15
1000	\$1,313	\$60	\$2,200	\$1,606	\$2,000	\$1,402	\$1,286	\$1,229	\$15
1024	\$1,339	\$60	\$2,253	\$1,645	\$2,048	\$1,460	\$1,340	\$1,280	\$15
1536	\$1,650	\$60	\$3,379	\$2,467	\$3,072	\$2,243	\$2,058	\$1,966	\$15

SBC NRC is waived when PVC is ordered as part of a 2, 3, or 5-year term plan agree

SBC price is from A.C.C. Price List , Page 19 - 26. Discount pricing plan from page 32 to 37 is applied.

Qwest price is from Communications Corporation , Arizona Tariff No. 2, Issued Date: 10-24-03 Effective Date: 12-15-03  
Discount is based on \$10K monthly commitment level.

Qwest Total Advantage and Qwest Q-Guaranty & Integrity are provided for comparison.

Does not include local access

[illegible]

[illegible]